



**City of Missoula, Montana
City Council Committee Agenda Item**

Committee: Public Works and Mobility

Item: Ordinances amending Missoula Municipal Code Titles 3 and 12, for multiple code amendments related to the Public Works & Mobility Department

Date: November 26, 2024

Sponsor(s): Ross Mollenhauer

Department or function: Public Works & Mobility

Prepared by: Ashley Strayer

Ward(s) Affected:

- Ward 1
- Ward 2
- Ward 3
- All Wards
- Ward 4
- Ward 5
- Ward 6
- N/A

Action Required:

Approve ordinances to amend Missoula Municipal Code Titles 3 and 12 to modify the sidewalk deferral eligibility requirements.

Recommended Motion(s):

I move the City Council: Set a public hearing on January 6, 2025 and approve ordinances amending Missoula Municipal Code Title 3 entitled "Revenue and Finance," Title 12 entitled "Streets, Sidewalks and Public Places," to update the sidewalk deferral program eligibility requirements to be effective on February 5, 2025.

Timeline:

Committee discussion:	December 4, 2024
Council action (or sets hearing):	December 9, 2024
Public Hearing (if required):	January 6, 2025
Deadline:	N/A

Background and Alternatives Explored:

In conjunction with the larger City-wide code reform effort, Public Works and Mobility (PWM) staff are seeking to amend multiple sections of code to better bring them into alignment with our current practices. The following changes seek to reduce the cost burden on property owners affected by sidewalk assessment projects in line with the City's goals for equity and affordability.

- MMC 3.16.030 – Increase the threshold for deferrals on low-moderate income-qualified properties from 80% to 120% AMI.
- MMC 3.16.030 – Lower the threshold for high assessment deferrals from \$6,000 to \$3,500.

- MMC 3.16.090 – Set the interest rate charged on sidewalk projects equal to, or lower, than the current bond rate, as determined by the City Finance Director.
- MMC 12.10.130.C – Allow sidewalk subsidy to apply to new single-family, duplex and ADU projects that have been previously postponed.

Financial Implications:

The changes to the sidewalk deferral program eligibility requirements will result in a greater number of properties deferring their sidewalk assessment costs until the time of sale, which can be many years out. Time of sale is assumed to be at least 12 years on average. This means that Road District will need to carry these near-term costs, estimated at \$60,000 per year, for the next 12 years until these properties start to turn over.

The changes to the interest rate used on the sidewalk assessment financing and deferral program will enable the City to match the interest rate provided to citizens to the interest rate the City is itself incurring through the bond. Previously the City has been covering the cost associated with borrowing money and has been losing money by offering a significantly lower interest rate than what the City itself could obtain.

Links to external websites: